



United States Department of State

Washington, D.C. 20520

Dear Mr. Chairman:

The State Department shares the concerns expressed in Senate Resolution 40 about the size of the U.S. trade deficit and the need to return to a better balance in our trade account. This position was recently enunciated by the Secretary of State in his address on economic issues to the Woodrow Wilson School of International Economics at Princeton, as well as by other Administration officials.

The size and growth of the trade deficit has not escaped public notice. A large number of government, business, and academic groups have already studied the issue. In this context, the appointment of a Presidential Commission would only seem justified if the results of the Commission's work were expected to add significantly to current thinking about the problem.

The State Department believes that only a carefully focused study would so contribute to public policy making, but that such a focus is possible to achieve. For this reason, the Department of State does not oppose Senate Resolution 40.

With best wishes,

Sincerely,

William L. Ball, III  
Assistant Secretary  
Legislative and Intergovernmental Affairs

The Honorable  
Bob Packwood,  
Chairman,  
Committee on Finance,  
United States Senate.